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CO2 Management Agreement to bring Carbon TerraVault's first permanent carbon storage project to northern California

Published on January 05, 2023 by [Chris Galford](#)

Thanks to a Carbon Dioxide Management Agreement (CDMA) between Carbon TerraVault Holdings, LLC (CTV) and clean-tech company Grannus, LLC, a new carbon storage project in northern California will eventually seek to sequester 370,000 metric tons of CO2 per year.

The Grannus Blue Ammonia and Hydrogen Project would be California's first blue ammonia and hydrogen facility, producing 150,000 metric tons of blue ammonia per year and 10,000 metric tons of blue hydrogen. It would be the first such permanent structure for CTV in northern California due to Grannus' patented processes. These processes include the production of blue hydrogen, which will then be combined with nitrogen to produce ammonia for use in nitrogen-based fertilizers. In turn, generated CO2 will be captured and stored permanently underground.



The companies see the major potential here, given that California produces more than one-third of U.S. vegetables and three-quarters of its fruits and nuts, making it a strong ammonia market.

“As a next generation clean-tech company, we are excited to partner with such a knowledgeable carbon management provider as Carbon TerraVault due to their unique vault positioning in the heart of Northern California’s industrial sectors, strong subsurface expertise, and their leadership in California’s new energy economy and carbon management,” Matthew Cox, Grannus CEO, said. “California’s first blue ammonia fertilizer production facility is expected to further reduce the carbon intensity of California’s agricultural sector while delivering environmentally conscious food to every American’s doorstep.”

The agreement was backed by the California Resources Corporation (CRC), and Grannus has already entered a master ammonia sales agreement with its investor CALAMCO, a California-based cooperative of approximately 900 dealer and grower members, for an amount up to its total ammonia requirements. Currently, all involved foresee the project reaching commercial operation by the end of 2027. CTV will also provide infield transportation and a permanent CO2 storage site in exchange for an injection free on a per ton basis, eliminating the need for long-haul CO2 transportation and more.

“We are thrilled for the expansion of our decarbonization efforts in Northern California where we see an incredible amount of carbon capture and storage (CCS) opportunities,” CRC President and CEO Mac McFarland said. “Our partnership with Grannus begins a new chapter of carbon storage in Northern California and also positions Grannus as one of the leading clean-tech companies in the state by introducing a blue ammonia facility in San Joaquin County with permanent CO2 storage through Carbon TerraVault.”

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